





## DCAP MEMO OF UNDERSTANDING

STATE OF WASHINGTON  
DEPARTMENT OF RETIREMENT SYSTEMS

P.O. Box 40931 • Olympia, WA 98504-0931 • 360-664-7005 • Toll-free 1-800-423-1524 • [www.drs.wa.gov/dcap](http://www.drs.wa.gov/dcap)

**THIS MEMO ONLY HIGHLIGHTS THE EMPLOYEES' DEPENDENT CARE ASSISTANCE SALARY REDUCTION PROGRAM. YOU SHOULD REFER TO A COPY OF THE PROGRAM REGULATIONS FOR SPECIFIC DETAILS.**

**I UNDERSTAND** the following:

1. Enrollment is required for each plan (calendar) year (WAC 415-600-110 and WAC 415-600-210).
2. My gross salary will be reduced each regular pay period by an equal fraction of the total salary reduction amount that I have elected (WAC 415-600-280). This amount should not exceed my earned income and should not exceed the earned income of my spouse (WAC 415-600-250 and WAC 415-600-260).
3. My election may not be terminated or modified during the plan year except in the case of a "qualifying change in status" (WAC 415-600-240).
4. My dependent care account will be used to reimburse only eligible dependent care expenses for services incurred during the plan year (WAC 415-600-110 and 415-600-310).
5. Services must occur on days I work and if married, on days my spouse works; or if my spouse is a full-time student, services must occur on days my spouse attends school (WAC 415-600-310).
6. Only expenses directly related to the care or supervision of qualifying person(s) may be claimed for reimbursement (WAC 415-600-110 and 415-600-310).
7. Qualifying person(s) must be under 13 years of age, or physically and/or mentally incapable of self-care and spend at least 8 hours each day in my household (WAC 415-600-110 and 415-600-310).
8. If my provider is a child of mine, she/he must not be an IRS dependent and must be at least age 19 as of the close of the plan year (WAC 415-600-310).
9. Any amounts remaining in my dependent care account after all timely claims have been submitted will be forfeited to the State of Washington (WAC 415-600-020 and 415-600-440).
10. Funds in my dependent care account belong to the State of Washington until paid to me under the terms of the Program. I realize that I may not assign or transfer my rights in the Program (WAC 415-600-610).
11. As a result of reducing my gross income, my social security benefit may be lower (WAC 415-600-020).
12. My salary reduction amount may be reduced at any time to assure that the Dependent Care Assistance Program satisfies existing or future anti-discrimination requirements of the Internal Revenue Code (WAC 415-600-270).
13. The State of Washington retains control over all aspects of the Program including the right to amend or terminate the Program (WAC 415-600-290).
14. Neither the Department nor the State of Washington makes any commitment or guarantee that any amount paid to or for the benefit of a participant will be excludable from the participant's gross income for federal or state income tax purposes (WAC 415-600-630).

**I ACKNOWLEDGE THAT I HAVE RECEIVED AND REVIEWED A COPY OF THE DEPENDENT CARE ASSISTANCE PROGRAM REGULATIONS. I FURTHER ACKNOWLEDGE THAT I HAVE READ AND UNDERSTAND ALL SECTIONS OF THE "DCAP MEMO OF UNDERSTANDING."**